

ORIGINAL

OPEN MEETING AGENDA ITEM

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

Arizona Corporation Commission

DOCKETED

OCT 1 2015



0000166311

DOCKETED BY

JA

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2015 OCT -15A-130331
P 3:21

RECEIVED

IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, LLC, AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WATER AND WASTEWATER RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO. 1304235A-130331

PROCEDURAL ORDER
(Modifies Procedural Schedule)

BY THE COMMISSION:

On September 27, 2013, Utility Source, LLC ("Utility Source" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plants and property and for increases in its rates and charges for water and wastewater utility service provided to customers in the Company's service area in Coconino County, Arizona.

On February 17, 18, and 19, 2015, a full public hearing on the application was convened as scheduled, with the Company, the Commission's Utilities Division ("Staff"), and the Residential Utility Consumer Office ("RUCO") appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing *pro se*.

On August 24, 2015, the Commission's Hearing Division issued a Recommended Opinion and Order ("ROO") recommending approval of an increase to the Company's water and wastewater rates and charges, subject to certain terms and conditions.¹

On September 8, 2015, at the scheduled Open Meeting, the Commission voted in favor of holding this matter over for further consideration. The Commission also directed the Hearing Division

¹ The procedural history for this case is more fully stated in the August 24, 2015 ROO, and is incorporated herein by reference.

1 to convene a procedural conference for the purposes of scheduling an additional evidentiary hearing
2 and discussing the scope of that proceeding.

3 On September 8, 2015, a Procedural Order was issued scheduling a procedural conference to
4 commence September 15, 2015.

5 On September 15, 2015, a procedural conference was held as scheduled, with the Company,
6 Staff, and RUCO appearing through counsel, and Mr. Nielsen and Mr. Fallon appearing *pro se*.² At
7 that time, a discussion occurred regarding the issues to be addressed at the additional evidentiary
8 hearing as well as an appropriate procedural schedule to govern that proceeding.

9 On September 15, 2015, a Procedural Order was issued scheduling hearing dates and
10 establishing various filing deadlines. The Procedural Order directed the parties to file, among other
11 things, any settlement agreement no later than September 28, 2015, and direct testimony in support of
12 any settlement agreement no later than October 6, 2015.

13 On September 15, 2015, Staff filed a Notice of Settlement Discussion stating that settlement
14 discussions would commence on September 21, 2015.

15 On September 28, 2015, Staff filed a Request for Modification to the Procedural Schedule
16 stating that the parties need additional time to consider the details of a potential settlement agreement.
17 Therefore, Staff requests the following deadline extensions: the filing of any settlement agreement be
18 extended to October 2, 2015; and the filing of direct testimony in support of any settlement agreement
19 be extended to October 9, 2015. Staff represents that no party objects to Staff's request.

20 Staff's request is reasonable under the circumstances and should be granted.

21 IT IS THEREFORE ORDERED that **any settlement agreement** reached by all parties shall be
22 filed on or before **October 2, 2015**.

23 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits **in support of any**
24 **settlement agreement** shall be reduced to writing and filed on or before **October 9, 2015**.

25 IT IS FURTHER ORDERED that, in all other respects, the Procedural Order dated September
26 15, 2015, shall remain in full force and effect.

27
28

² Mr. Nielsen and Mr. Fallon attended telephonically.

IT IS FURTHER ORDERED that the **timeclock** for this matter remains suspended.

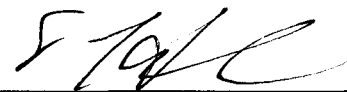
IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized Communications) continues to apply to this proceeding and shall remain in effect until the Commission's Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules 31, 38, 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 15th day of October, 2015.


SCOTT M. HESLA
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered
this 1st day of October, 2015, to:

Steve Wene
MOYES SELLERS & HENDRICKS LTD.
1850 North Central Avenue, Suite 1100
Phoenix, AZ 85004
Attorneys for Utility Source, LLC

Daniel W. Pozefsky
Chief Counsel
Residential Utility Consumer Office
1110 West Washington, Suite 220
Phoenix, AZ 85007

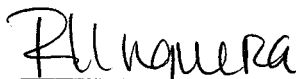
1 Erik Nielsen
2 4680 N. Alpine Dr.
3 PO Box 16020
4 Bellemont, AZ 86015

5 Terry Fallon
6 4561 Bellemont Springs Drive
7 Bellemont, AZ 86015

8 Janice Alward, Chief Counsel
9 Legal Division
10 ARIZONA CORPORATION COMMISSION
11 1200 West Washington Street
12 Phoenix, AZ 85007

13 Thomas Broderick, Director
14 Utilities Division
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, AZ 85007

18 By:



Rebecca Unquera
Assistant to Scott M. Hesla